



Quality is Our Bottom Line

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Insurance Committee Public Hearing  
February 5, 2009

Connecticut Association of Health Plans

Testimony regarding

SB 292 AAC Health Insurance Coverage for Certain Acupuncture Treatments.  
SB 296 AA Requiring Health Insurance Coverage for Bone Density Screenings.  
SB 299 AA Expanding Health Insurance Coverage for Routine Patient Care Costs for Clinical Trial Patients.  
SB 301 AAC Health Insurance Coverage for Autism Spectrum Disorders.  
SB 638 AA Requiring Health Insurance Coverage for Colonoscopies for Colon Cancer Survivors.  
HB 5093 AAC Prosthetic Parity.  
HB 5242 AAC Health Insurance Coverage for Required Vaccines.  
HB 5433 AAC Health Insurance Coverage for Step Children.

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of the above mentioned bills. While every mandate under consideration by the legislature is laudable in its intent, each must be considered in the context of the larger debate on access and affordability of health care. Both the General Assembly and the Administration have pledged this year to address the needs of the approximately 400,000 Connecticut residents who lack health insurance coverage. As we all know, the reasons people go without insurance are wide and varied, but most certainly cost is a major component. As you discuss the proposals above, please consider the following:

- Connecticut has **49 mandates, which is the 5<sup>th</sup> highest** behind Maryland (58), Virginia (53), California (51) and Texas (50). The average number of mandates per state is 34. (OLR Report 2004-R-0277 based on info provided by the Blue Cross/Blue Shield Assoc.)
- For all mandates listed, the total cost impact reported reflects a range of **6.1% minimum to 46.3% maximum**. (OLR Report 2004-R-0277 based on info provided by the Dept. of Insurance)
- State mandated benefits are not applicable to all employers. Large employers that self-insure their employee benefit plans are not subject to mandates. **Small employers bear the brunt of the costs.** (OLR Report 2004-R-0277)
- The National Center for Policy Analysis (NCPA) estimates that **25% of the uninsured are priced out of the market by state mandates**. A study commissioned by the Health Insurance Assoc. of America (HIAA) and released in January 1999, reported that "...a fifth to a quarter of the uninsured have no coverage because of state mandates, and federal mandates are likely to have larger effects. (OLR Report 2004-R-0277)

- **Mandates increased 25-fold over the period, 1970-1996, an average annual growth rate of more than 15%. The Health Insurance Portability & Accountability Act (HIPAA) alone will add billions of dollars in new compliance costs to the healthcare system. (PriceWaterhouseCoopers: The Factors Fueling rising Healthcare Costs- April 2002)**
- **National statistics suggest that for every 1% increase in premiums, 300,000 people become uninsured. (Lewin Group Letter: 1999)**
- **"According to a survey released in 2002 by the Kaiser Family Foundation (KFF) and Health Research and Educational Trust (HRET), employers faced an average 12.7% increase in health insurance premiums that year. A survey conducted by Hewitt Associates shows that employers encountered an additional 13% to 15% increase in 2003. For 2004, the outlook is for more double-digit increases. If premiums continue to escalate at their current rate, employers will pare down the benefits offered, shift a greater share of the cost to their employees, or be forced to stop providing coverage." (OLR Report 2004-R-0277)**

Furthermore, health plans are currently adhering to the intent of many of the mandates listed above including those related to immunizations, step children and many of the screening proposals. Having said that, please note that statutory mandates only apply to a select group of employers – namely small employers. Large employers who self insure are exempt from such mandates and may design their own benefit packages. We question whether the genesis of some of these proposals is derived from members covered under these types of plans in which case any new law wouldn't apply.

With respect to the autism mandate, we simply point out for the Committee's consideration that many of the treatments and services contemplated under the bill do not constitute typical medical treatment, will be difficult to operationalize and should fall perhaps, more appropriately, under the category of special education. We do not question the need for such coverage, just whether it should be borne by employers and their carriers given the level of the expense or whether we as a society should shoulder the responsibility to care for these children.

Thank you for your consideration.